Credit deposit ratio in Gujarat

4269. SHRI VITHALBHAI M. PATEL: Will the Minister of FINANCE be pleased to state:

(a) what is the Credit Deposit Ratio of Gujarat;

(b) whether it is a fact that there is a gap between Credit Deposit Ratio of Gujarat; and

(c) if so, what steps Government are taking to fill the gap of Credit Deposit Ratio of Gujarat?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) The Credit Deposit Ratio of Scheduled Commercial Banks in the State of Gujarat as on the last Friday of June, 1992 (latest available) was 56.4 per cent as against the All India figure of 61.7 per cent.

(c) The problem of regional imbalances in the deployment of bank credit in various states is in the knowledge of Government and Reserve Bank of India (RBI). The credit deployment in a particular area depends on various factors like economic activities, entrepreneurship, availability of raw materials and other infrastructural facilities, investment opportunities and also law and order situation in that area. However, RBI has advised the banks to ensure that wide regional disparities amongst various states in credit deployment is reduced and steps are taken to increase the flow of credit to all productive and identified viable proposals in different areas.

Recovery of dues from M/s. I.T.C. Limited, Bangalore

4270. SHRI J. S. RAJU: Will the Minister of FINANCE be pleased to refer to the answer to Starred Question No. 195 given in the Rajya Sabha on the 21st July, 1992 and state:

(a) whether the stay order granted by the Madras High Court in connection with the recovery of confirmed demand of Rs. 27.80 crores from M/s. I.T.C. Limited, Bangalore has been got vacated; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) No Sir.

(b) Does not arise, in view of reply given to part (a) above.

Dilution of FERA provisions to attract foreign investment

4271. SHRI MAULANA OBAIDULLAH KHAN AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to dilute the provisions of FERA to attract more foreign investment at the behest of IMF;

(b) if so, whether any alternative arrangements have been made to keep a check on the activities of MNCs regarding repatriation of profits/commissions by them to their parent companies;

(c) if so, the details thereof; and

(d) whether Government have made any assessment regarding the likely impact of the dilution of FERA on foreign investment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The Reserve Bank of India have issued notifications granting general permission exempting FERA companies from certain restrictions imposed under Provisions of Section 26(7), 28, 29 and 31 of the Foreign Exchange Regulations Act 1973 with a view to improving the climate for attracting foreign investment.

(b) to (d) With the issue of RBI notifications, the FERA companies will be on par with other Indian companies. Repatriation of profits/commissions requires RBI's prior approval. The relaxation of the rigorous of FERA 1973, is expected to bring positive results relating to direct and indirect foreign investments.